



Department of Justice

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**AS APRIL 15 TAX DEADLINE APPROACHES, MORE FEDERAL PROSECUTIONS
SEND MESSAGE THAT TAX FRAUD CAN MEAN PRISON TIME**

Montgomery, Alabama - A number of tax-related fraud cases are being pursued by IRS Criminal investigators and federal prosecutors in the Middle District of Alabama, announced U.S. Attorney Leura G. Canary. "These cases are critical to the operation of a free government. When tax fraud is perpetrated, all U.S. citizens are victims. These prosecutions send the message that tax frauds who cheat the federal government and its citizens will be brought to justice." Stated Ms. Canary.

IRS Criminal Investigation Special Agent In Charge Reginael D. McDaniel said, "Public trust in the United States tax system is the cornerstone of maintaining its integrity. In exchange for the public trust, taxpayers expect that those who violate the tax system will be held accountable. IRS Criminal Investigation is committed to seek out those who violate our tax laws and pursue criminal prosecution against them."

Recent tax cases prosecuted in this district include the following:

- Tommy Jordan, age 55, of Montgomery, was convicted on January 9, 2009, of conspiracy to prepare false tax returns and of 26 separate counts of aiding and assisting in the preparation of false federal income tax returns. Jordan started a tax preparation business in late 2004 known as Tax Tyme, where he and co-conspirators Tumekia Sanders and Felicia Jackson prepared hundreds of fraudulent tax returns which generated over \$3 million in fraudulent refunds. Jordan is scheduled for sentencing on May 22nd, 2009.
- Tumekia Sanders, age 31, of Montgomery, previously pled guilty in U.S. District Court to a one-count felony information charging her with conspiring with Tommy Jordan to

defraud the United States. Sanders entered her plea on Friday, August 24, 2007. Sanders, as part of her plea agreement, cooperated as a witness in the trial of Tommy Jordan. On February 3, 2009, Sanders was sentenced to five years probation, to include six months home confinement.

- Felicia Jackson, age 31, of Montgomery, also previously pleaded guilty to a one-count felony information charging her with conspiring with Tommy Jordan to defraud the United States. Jackson entered her plea on August 28, 2007. Jackson, as part of her original plea agreement, cooperated as a witness in the trial of Tommy Jordan. On February 13, 2009, Jackson pled guilty to an additional charge of conspiring to defraud the United States while on pre-trial release. From January 2008 through April 2008, a time in which Jackson's bond remained in effect, Jackson participated with others in the filing of at least 25 fraudulent claims for refunds, submitted to the IRS under the name of Lucky Tax Service. Some of these returns were prepared either by Jackson or others using stolen identities. Jackson obtained these identities from a coconspirator, which belonged to individuals who were either incarcerated or were patients at Griel Hospital. Jackson was remanded into the custody of the U.S. Marshal's pending her sentencing.
- Billy Thomas Ludlam, of Henry County, was indicted on January 27, 2009, on five counts of willfully attempting to evade or defeat the payment of \$500,477 in individual income taxes for the years 2003 through 2007. Ludlam is scheduled for trial in U. S. District Court in Dothan, Alabama on June 15th 2009.
- Keshia Brayboy, age 35, of Millbrook, Alabama, was sentenced on February 26, 2009, to 30 months in prison for filing fraudulent federal income tax returns. The District court ordered Brayboy to pay over \$148,000 in restitution to the IRS for the income tax refunds issued as a result of the fraudulent returns. Brayboy was previously indicted on 20 counts of filing false tax returns and 10 counts of identity theft. The indictment alleged that in 2007 and 2008, Brayboy filed the false tax returns while operating a tax preparation business called KTS Financial Services in Millbrook.
- Kwantrice M. Thornton, age 26, of Montgomery, is scheduled to be sentenced on May 13, 2009, after pleading guilty to one count of conspiracy to defraud the United States, entered on February 4, 2008. According to her plea agreement, Thornton stole from her employer, Electronic Data Systems, Inc., social security numbers and dates of birth (identifiers) of Medicaid beneficiaries. Between August 2006 and October 2006, Thornton sold approximately 50 identifiers to a co-conspirator in exchange for a total of \$1,000. These identifiers were used by her co-conspirator to file federal income tax returns that fraudulently claimed refunds ranging in amounts of \$6,000 to \$9,000. Thornton required fees of \$500 to \$1,000 per refund. When sentenced, Thornton faces a statutory maximum penalty of 5 years in prison, an order of restitution and a fine of up to \$250,000.

- Michael Chappell, age 51, of Montgomery, Alabama, was previously indicted on July 8, 2008, on 15 counts of aiding and assisting in the preparation and filing of false tax returns. The indictment alleges that Chappell, while operating a tax preparation business in Montgomery, under the name of “Rocket Refund”, did aid in the preparation and filing of false individual income tax returns for the 2005 and 2006 tax years. The indictment further alleges that Chappell falsified amounts of earned income, earned income credit, child tax credit, filing statuses, and dependents on returns he prepared. If convicted of the offenses charged in the indictment, Chappell would face a maximum sentence of three years in prison, a \$250,000 fine, and up to one year of supervised release following his release from prison for each count in the indictment. Chappell is scheduled for trial in Montgomery, Alabama, on June 22nd, 2009 before U.S. District Judge W. Keith Watkins.

An indictment is merely an accusation and the defendants are presumed innocent until and unless proven guilty at trial beyond a reasonable doubt.

These investigations were conducted by Special Agents of the IRS Criminal Investigation Division. The criminal cases are being prosecuted by Assistant United States Attorneys Andrew Schiff, Todd Brown, Brent Woodall, Jerusha Adams, Monica Stump and Matthew Shepherd of the U.S. Attorney’s Office for the Middle District of Alabama.